



DISTRICT TRUST COMPANY

REGISTERED RETIREMENT SAVINGS PLANS
REPORT TO FEBRUARY 28, 1974

The following audited financial statements of District Trust Company's Registered Retirement Savings Plans reflect the public's increased desire to obtain tax deferment benefits provided by the Income Tax Act.

Continued high interest rates drew considerable response to the Guaranteed Plan with total deposits increasing by 58%. The interest rates on this Plan are guaranteed for five years, compounded semi-annually, and are based upon the prevailing District Trust Company five year Guaranteed Investment Certificate rate at January 1st of each year. Rates in effect over the the past five years have been as follows:

1970 — 8¾%
1971 — 8¼%
1972 — 7¼%
1973 — 7¾%
1974 — 8½%

The total guaranteed value of this Plan is now more than 1.3 million dollars.

The results of the Equity Plan reflect the current market situation which is generally unstable and without direction. Its performance is somewhat disappointing as a result. However, this type of plan should be viewed as a long-term investment vehicle.

It is indicative of the times that the Real Estate Plan has proved particularly popular. Over four hundred thousand dollars were contributed to the Plan this year. As the statement indicates, net revenue including appreciation was \$79,965.00 compared to \$40,419.00 for the previous year. The overall return on invested capital was 13.14% resulting from a unit value increase of 3.94% to \$11.84 and an income return of 9.20% or \$1.05 per unit. Our goals and objectives for the Real Estate Plan are to continue to obtain properties which produce an excellent return on investment and which will provide appreciation potential. The Real Estate Plan continues to be, as far as we know, the only Registered Retirement Savings Plan of its nature in Canada.

District Trust Company,

K. L. Cunningham
Executive Vice-President

AUDITORS' REPORT

To District Trust Company,
Trustee for the Participants in District Trust
Company Guaranteed, Real Estate and Equity
Retirement Savings Plans

We have examined the balance sheets of District Trust Company Guaranteed, Real Estate and Equity Retirement Savings Plans as at February 28, 1974 and the statements of investment income and capital of the Real Estate and Equity Plans for the year then ended. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion these financial statements present fairly the financial position of the Plans as at February 28, 1974 and the results of their operations for the year then ended, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

London, Ontario
March 27, 1974

THORNE GUNN & CO.
Chartered Accountants

DISTRICT TRUST COMPANY GUARANTEED RETIREMENT SAVINGS PLAN

BALANCE SHEET — FEBRUARY 28, 1974

(with comparative figures at February 28, 1973)

	ASSETS	1974	1973
Deposits in District Trust Company guaranteed account		\$ 1,231,186	\$ 798,446
Accrued interest		<u>121,000</u>	<u>69,000</u>
		<u>\$ 1,352,186</u>	<u>\$ 867,446</u>
	EQUITY		
CAPITAL			
Balance at beginning of year		\$ 867,446	\$ 534,100
Interest income for the year		76,494	41,858
Contributions		<u>505,537</u>	<u>326,207</u>
		1,449,477	902,165
Withdrawals		<u>97,291</u>	<u>34,719</u>
BALANCE AT END OF YEAR		<u>\$ 1,352,186</u>	<u>\$ 867,446</u>

Approved on behalf of the Trustee,
District Trust Company

President: R. J. Hare

Secretary: R. C. Allen

DISTRICT TR REAL ESTATE RETIR

BALANCE SHEET — FEBRUARY 28, 1974

(with comparative figures at February 28, 1973)

	ASSETS	1974	1973
Cash		\$ 375,405	\$ 286,536
Mortgages receivable		204,795	89,449
Real estate (note 1)		<u>612,100</u>	<u>322,000</u>
		<u>\$ 1,192,300</u>	<u>\$ 697,985</u>
	LIABILITIES		
Accounts payable and accrued liabilities		\$ 6,198	\$ 3,013
Mortgages payable (note 2)		<u>158,117</u>	<u>85,775</u>
		<u>164,315</u>	<u>88,788</u>
	EQUITY		
Participants' deposits (note 3)		1,594	856
Capital		<u>1,026,391</u>	<u>608,341</u>
		<u>1,027,985</u>	<u>609,197</u>
		<u>\$ 1,192,300</u>	<u>\$ 697,985</u>

Approved on behalf of the Trustee,
District Trust Company

President: R. J. Hare

Secretary: R. C. Allen

STATEMENT OF INVESTMENT INCOME

Year Ended February 28, 1974
(with comparative figures for 1973)

	1974	1973	Units Purchased 1974	1973
Income				
Rent	\$ 65,840	\$ 40,110		
Interest	<u>19,285</u>	<u>7,237</u>		
	<u>85,125</u>	<u>47,347</u>		
Expense				
Mortgage interest	12,944	2,236		
Taxes	5,168	3,020		
Management fee	4,256	2,210		
Maintenance	2,979	3,243		
Professional fees	1,666	1,198		
Utilities	1,131	865		
Insurance	<u>991</u>	<u>196</u>		
	<u>29,135</u>	<u>12,968</u>		
	55,990	34,379	4,729	3,018
Increase in unrealized appreciation of real estate	<u>23,975</u>	<u>6,040</u>	<u> </u>	<u> </u>
NET INVESTMENT INCOME FOR THE YEAR	<u>\$ 79,965</u>	<u>\$ 40,419</u>	<u>4,729</u>	<u>3,018</u>

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MENT SAVINGS PLAN

STATEMENT OF CAPITAL

Year Ended February 28, 1974
(with comparative figures for 1973)

	1974	1973	Units 1974	1973
Balance at beginning of year	\$ 608,341	\$ 382,820	53,411	34,141
Net investment income for the year	79,965	40,419	4,729	3,018
Contributions	<u>400,652</u>	<u>201,048</u>	<u>33,843</u>	<u>17,652</u>
	1,088,958	624,287	91,983	54,811
Withdrawals	<u>62,567</u>	<u>15,946</u>	<u>5,285</u>	<u>1,400</u>
BALANCE AT END OF YEAR	<u>\$1,026,391</u>	<u>\$ 608,341</u>	<u>86,698</u>	<u>53,411</u>

NOTES TO FINANCIAL STATEMENTS

Year Ended February 28, 1974

1. REAL ESTATE

The cost of real estate held for investment was \$565,122 (\$298,997 in 1973). Appraisals were obtained to determine the estimated market value of the real estate as at February 28, 1974 of \$612,100 (\$322,000 in 1973).

2. MORTGAGES PAYABLE

8-¼% maturing April 1, 1986, payable \$116 monthly including principal and interest	\$ 10,237
9% maturing March 1, 1978, payable \$667 monthly including principal and interest	73,742
9-½% maturing June 1, 1978, payable \$690 monthly including principal and interest	<u>74,138</u>
	<u>\$ 158,117</u>

3. PARTICIPANTS' DEPOSITS

Contributions of participants insufficient in amount to purchase one unit have been disclosed on the balance sheet as participants' deposits.

INVESTMENTS — FEBRUARY 28, 1974

REAL ESTATE	VALUE
Dorchester	
Public service building	\$ 29,000
London	
Public service building	36,000
Kitchener	
Shopping plaza	160,000
Woodstock	
Office building	110,000
Retail store	143,500
Carleton Place (Ottawa)	
Convenience store	75,600
Harriston	
Bank and apartments	<u>58,000</u>
	<u>\$ 612,100</u>
MORTGAGES RECEIVABLE	
10% due August 1, 1977 — Industrial Property	\$ 86,725
12% due June 1, 1978 — Apartment buildings	23,867
10-¾% due March 1, 1976 — Restaurant	43,036
11% due June 1, 1975 — Townhouses	<u>51,167</u>
	<u>\$ 204,795</u>

DISTRICT TRUST COMPANY

EQUITY RETIREMENT SAVINGS PLAN

BALANCE SHEET — FEBRUARY 28, 1974

(with comparative figures at February 28, 1973)

	ASSETS	1974	1973
Cash		\$ 1,524	\$ 9,565
Marketable securities, at quoted market value (cost 1974, \$84,713; 1973, \$81,363)		<u>91,968</u>	<u>94,155</u>
		<u>\$ 93,492</u>	<u>\$ 103,720</u>
	LIABILITIES		
Accounts payable and accrued liabilities		<u>\$ 525</u>	<u>\$ 225</u>
	EQUITY		
Participants' deposits		9	11
Capital		<u>92,958</u>	<u>103,484</u>
		<u>92,967</u>	<u>103,495</u>
		<u>\$ 93,492</u>	<u>\$ 103,720</u>

Approved on behalf of the Trustee,
District Trust Company

President: R. J. Hare

Secretary: R. C. Allen

STATEMENT OF INVESTMENT INCOME

Year Ended February 28, 1974
(with comparative figures for 1973)

	1974	1973	Units Purchased 1974	1973
Dividends	\$3,750	\$ 3,023		
Interest	<u>105</u>	<u> </u>		
	<u>3,855</u>	<u>3,023</u>		
Management fee	724	694		
Professional fees	<u>300</u>	<u>225</u>		
	<u>1,024</u>	<u>919</u>		
	2,831	2,104	2,550	1,853
Profit on sale of marketable securities	1,886	1,025		
Increase (decrease) in unrealized appreciation of marketable securities	<u>(5,537)</u>	<u>4,224</u>	<u> </u>	<u> </u>
NET INVESTMENT INCOME (LOSS) FOR THE YEAR	<u>\$ (820)</u>	<u>\$ 7,353</u>	<u>2,550</u>	<u>1,853</u>

DISTRICT TRUST COMPANY

EQUITY RETIREMENT SAVINGS PLAN

STATEMENT OF CAPITAL

Year Ended February 28, 1974
(with comparative figures for 1973)

	<u>1974</u>	<u>1973</u>	<u>1974</u>	Units <u>1973</u>
Balance at beginning of year	\$ 103,484	\$ 89,361	89,260	81,742
Net investment income (loss) for the year	(820)	7,353	2,550	1,853
Contributions	<u>12,694</u>	<u>18,041</u>	<u>11,334</u>	<u>15,562</u>
	115,358	114,755	103,144	99,157
Withdrawals	<u>22,400</u>	<u>11,271</u>	<u>20,164</u>	<u>9,897</u>
BALANCE AT END OF YEAR	<u>\$ 92,958</u>	<u>\$ 103,484</u>	<u>82,980</u>	<u>89,260</u>

INVESTMENTS — FEBRUARY 28, 1974

MARKETABLE SECURITIES	Shares	Cost	Quoted Market Value
Convertible Preferred Stocks			
The Investors Group, 5%	125	\$ 3,125	\$ 2,437
John Labatt Limited, \$1.00	100	<u>2,624</u>	<u>2,300</u>
		5,749	4,737
Common Stocks			
Alcan Aluminium Limited	150	4,606	5,212
Bell Canada	142	7,801	6,266
Brascan Limited	330	5,580	5,569
Canadian Imperial Bank of Commerce	200	3,584	6,175
Canadian Pacific Limited	250	2,772	4,125
Canadian Pacific Investments Limited	390	4,055	6,825
Cominco Ltd.	100	3,287	3,150
Hiram Walker-Gooderham & Worts Limited	200	9,423	10,450
Hudson's Bay Company	200	3,640	3,350
Hamilton Trust & Savings Corporation	240	3,177	2,640
Imperial Oil Limited	250	7,387	9,719
The International Nickel Company of Canada, Limited	200	7,556	7,575
Interprovincial Pipe Line Company	250	5,659	5,250
Northern & Central Gas Corporation Limited	100	1,531	1,275
The Steel Company of Canada, Limited	200	4,313	6,650
Union Gas Limited	300	<u>4,593</u>	<u>3,000</u>
		78,964	87,231
		<u>\$ 84,713</u>	<u>\$ 91,968</u>

**Executive Offices**

200 Queens Avenue, London

Head Office

484 Richmond Street, London

Branches

Elmira Branch

24 Arthur Street South

Guelph Branch

Wellington and Gordon Streets

Kitchener Branch

259 King Street West

London Main Branch

484 Richmond Street

London Market Branch

15 Covent Market Place

Strathroy Branch

26 Front Street

Toronto Branch

65 Queen Street West

Real Estate Services

Brantford

233 Colborne Street

Guelph

Wellington and Gordon Streets

London

370 Queens Avenue

Kitchener

780 King Street West

Strathroy

12 Caradoc Street North